

PERMANENT BASE ADJUSTMENT  
DETAILED ANALYSIS

Pursuant to the Arizona State Constitution, the Town of Paradise Valley as authorized by resolution # 2016-13 passed on June 9, 2016 will seek voter approval to permanently adjust the expenditure base of the Town as determined by the Economic Estimates Commission.

With voter approval, the Town will permanently increase the 1979-80 expenditure base of the Town by \$3,540,285 beginning in fiscal year 2017-18 and utilize the additional expenditure authority for all local budgetary purposes including police, fire, wastewater, alarm services, public works, community development, courts, attorneys, and administration.

If approved, the additional expenditures authorized will be funded from revenue obtained from federal, state, and local sources. In 2017-18, the Town's expenditure limitation will increase by \$14,000,000 from \$26,278,670 to \$40,278,670. In Fiscal Year 2017-18, \$1,500,000 will be acquired through state sources and the remaining \$12,500,000 will be funded through local revenue sources. The Town does not have a property tax. All dollar figures in this analysis are estimates only.

In determining the revenue sources to fund the authorized additional expenditures, it is assumed that the federal, state, and local revenues received by the Town will continue to be available and increase as they have for the past five years. In the past five years, state revenue has increased by approximately 3% and local revenue has increased by approximately 18% each year. There is sufficient revenue from federal, state, and local sources to fund this permanent base adjustment.